

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**SPECIAL SESSION
May 31, 2005**

The Board of Supervisors of Maricopa County, Arizona convened in Special Session at 9:00 A.M., May 31, 2005, in the Sullivan Conference Room, 301 W. Jefferson Phoenix, Arizona, with the following members present: Max W. Wilson, Chairman, District 4, Don Stapley, Vice Chairman, District 2, Andrew Kunasek, District 3; Fulton Brock, District 1, and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board, Shirley Million, Administrative Coordinator, David Smith, County Manager and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

RECESS TO EXECUTIVE SESSION

Motion was made by Supervisor Stapley, seconded by Supervisor Kunasek, and unanimously carried that the Board recess into Executive Session, pursuant to listed statutory authority, to consider the following items.

LEGAL ADVICE; CONTRACTS SUBJECT TO NEGOTIATION -- ARS §38-431.03(A)(3) AND (A)(4)

Legal update regarding the status of compliance with the terms of the Intergovernmental Agreement between Maricopa County and Maricopa County Special Health Care District and discussion of contract negotiations regarding the county's aid package.

David Smith, County Manager
Christopher Keller, County Counsel
Chris Bradley, Deputy Budget Director
Tom Manos, Chief Financial Officer

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO NEGOTIATION -- ARS §38-431.03(A)(3) AND (A)(4)

Legal advice regarding options, legal ramifications, and contract negotiations with the Maricopa County Special Health Care District and AHCCCS regarding the proposed transfer or closure of the Acute Care Plan and Long Term Plan.

David Smith, County Manager
Christopher Keller, County Counsel
Chris Bradley, Deputy Budget Director
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RECONVENE IN SPECIAL SESSION

Chairman Wilson reconvened the Board in open session at 12:00 p.m. to consider the following items. All members as listed above remained in session.

COUNTY ASSISTANCE PROGRAM

Consideration of the proposed county Assistance Program to the Maricopa County Special Health Care District as given below: (ADM4496)

**MARICOPA COUNTY PROPOSED ASSISTANCE PACKAGE
TO THE MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT**

WHEREAS, the Maricopa County Board of Supervisors, (hereinafter "County") this 31st day of May 2005, does hereby offer the following assistance package to the Maricopa County Special Healthcare District (hereinafter "District") as a means to assist in stabilizing the District and in facilitating the orderly transfer of all assets and liabilities consistent with the Amended and Restated Transition IGA dated November 1, 2004 (hereinafter "Transition IGA").

1. Maricopa County agrees to restructure the **\$15 million** working capital line of credit available pursuant to the Transition IGA, Section 6.2.2. The County will extend the term of payback of this working capital line of credit to 10 years (all payable at the end of the 10th year). The County will waive interest for the first 5 years, with interest payable for the 2nd five-year period at the rate earned by the County Treasurer over that period.

It is acknowledged that such restructuring of the working capital line of credit amounts to a forgiveness of or below market interest valued at approximately **\$4 million**.

2. Maricopa County agrees to waive all costs of the 1st election (formation of the District). **(It is acknowledged that such waiver amounts to forgiveness of approximately \$1.6 million.)**
3. Maricopa County agrees to continue or to transfer the task orders to the District, or to pay a cash value of those task orders to the District, up to **\$3 million in total**, as determined by the District Board.
4. Maricopa County agrees to forgive the Districts' July 1, 2005, payment of the Comprehensive Healthcare Center (CHC) debt service **(\$1.1 million)**.
5. Maricopa County agrees to prepay on July 1, 2005, \$5 million for 05/06 Correctional Health Services or other services **(\$5 million)** which the District agrees to provide to the County as services required by the County to be purchased from the District pursuant to Section 8 of the Transition IGA.
6. Maricopa County agrees to restructure the payment terms for the second election to coincide with the working capital line of credit repayment described in Item 1, above. **(\$443,000)**

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7. Maricopa County agrees to pay the District for the Mesa and Tempe "special medical" debts and the County will settle with those two cities **(Estimated to be \$823,000)**, these debts are also known as the Mesa and Tempe city prisoner claims.
8. The County further agrees to fund and assist the District obtaining a performance bond required for the operation of the Acute Care Plan (MHP) and fund the AHCCCS equity requirements of October 1, 2005, in accordance with the remaining terms previously approved by the Board of Supervisors on their May 18, 2005 agenda (C4905032601) attached hereto. **(Estimated to be approximately \$6.4 million.)**

The above assistance package is conditioned on the District's approval, and notification to the County no later than June 1, 2005, at 4:00 p.m., of its intent to accept or reject the ALTCS and MHP health plans and provide any and all appropriate releases for any and all claims, known or unknown, associated with the operation of these health plans, exclusive of third party claims. In addition, the District will agree to, and acknowledge in a "Waiver and Release," that the County has undertaken environmental assessments, as required by the Transition IGA, and those additional environmental assessments as previously requested by the District, and the District will include a waiver of any and all claims, known or unknown, associated with any environmental or capital issues of the transferred assets pursuant to the Transition IGA, exclusive of third party claims.

Motion was made by Supervisor Wilcox, seconded by Supervisor Stapley, and carried (3-2) on a majority roll call vote, with Supervisors Brock, Stapley, and Wilcox voting "aye" and Supervisors Kunasek and Wilson voting "nay" to accept the final copy of the Assistance Package offered by Maricopa County to the Special Health Care District Board of Directors, to include acceptance line signatures.

CLOSE OR TRANSFER MEMBERSHIPS

Motion was made by Supervisor Wilcox, seconded by Supervisor Stapley, and unanimously carried (5-0) to approve the final decision to close or transfer the below listed memberships no later than September 30, 2005. Also, to formally notify the Director of the Arizona Health Care Cost Containment System (AHCCCS) on or before June 1, 2005.

- a. Maricopa Health Plan (C4905032003) (ADM2119)
- b. Maricopa Long Term Care Plan (C4905033001) (ADM2122)

These items continued from the May 25, 2005 Special Meeting.

MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned.

Max W. Wilson, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board